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SACRAMENTO COURTS
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14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15

16 COUNTY OF SACRAMENTO
17

18 PEOPLE OF THE STATE OF CALIFORNIA
19 AND KATHLEEN CONNELL,
20 CONTROLLER OF THE STATE OF
21 CALIFORNIA,
22

23 Plaintiffs,
24

25 v.
26

27 STEWART TITLE COMPANY OF
28 CALIFORNIA, INC.; STEWART TITLE
GUARANTY COMPANY; AND STEWART
INFORMATION SERVICES CORPORATION

Defendants.

02AS 06109

FINAL JUDGMENT

FINAL JUDGMENT

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1 Plaintiff, the People of the State of California ("the People"), appeared through the
2 Attorney General, Bill Lockyer, by Deputy Attorneys General Ronald A. Reiter and
3 Christina V. Tusan, through the District Attorney of San Francisco, Terence Hallinan, by
4 Assistant District Attorney June Cravett, and through the City Attorney of San Francisco,
5 Dennis Herrera, by Deputy City Attorney Donald P. Margolis. Plaintiff Kathleen Connell,
6 Controller of the State of California appeared through Richard J. Chivaro, Chief Counsel.
7 Defendants Stewart Title Company of California, Inc., Stewart Title Guaranty Company, and
8 Stewart Information Services Corporation (collectively "Stewart") appeared through their
9 attorneys Alborg, Veiluva and Cannata, by Thomas E. Alborg.

10 The Court having considered the Stipulation For Entry of Final Judgment executed
11 by the parties and filed herewith, and good cause appearing,

12 IT IS HEREBY AGREED, ORDERED, ADJUDGED AND DECREED THAT:

13 JURISDICTION

14 1. This Court has jurisdiction of the subject matter of this action and of the
15 parties. Venue as to all matters between the parties relating hereto lies in this Court.

16 INJUNCTION

17 2. The injunctive provisions of this judgment apply to Stewart; its directors,
18 officers, and shareholders; to the employees, representatives, agents, subsidiary and affiliated
19 companies (regardless of the form of business organization), successors-in-interest, and
20 assigns of Stewart; and any person or entity acting by, through, under, on behalf of, or in
21 concert with Stewart or any other person or entity described in this paragraph, whether acting
22 as a principal or agent, all of whom are referred to as "defendants." For the purpose of the
23 injunctive provisions of this judgment, the term "agent" does not apply to non-subsiary
24 companies or entities in which Stewart does not have an ownership interest under the
25 following circumstances: 1) those entities are performing escrows services on their own
26 behalf and 2) those entities are acting as Stewart's agent solely through their involvement in
27 facilitating the provision of title insurance on behalf of Stewart.

1 3. For the purpose of this judgment, the term "financial benefit" means any
2 consideration, other than consideration denominated as interest, that defendants obtain from
3 a financial institution in connection with the defendants' deposit of escrow funds with that
4 financial institution. "Financial benefit" includes a financial institution's absorption of
5 expenses incident to providing normal banking functions or its forbearance from charging
6 a fee in connection with providing normal banking functions or services, including those
7 normal banking functions and services that the Federal Reserve Board determines may be
8 provided without full charge consistent with 12 C.F.R. Part 217. Examples of "financial
9 benefits" that may be provided by a financial institution include, but are not limited to,
10 escrow accounting services and bank reconciliation, wire transfers, and loans at preferential
11 interest rates.

12 4. Defendants, and each of them, are permanently enjoined and restrained from
13 engaging in any of the following:

14 A. Billing or collecting from title insurance or escrow customers an amount
15 that exceeds the actual cost to defendants of services provided by third parties in connection
16 with defendants' performance of escrow and title services, such as overnight mail, courier,
17 and notary services, unless (1) such practice is permitted by state and federal law and (2)
18 defendants clearly and conspicuously disclose that the defendants have marked-up the third
19 party charge.

20 B. Obtaining any financial benefit in connection with the deposit of escrow
21 funds unless the full value of all financial benefits is (1) exclusively used to underwrite the
22 cost of escrow services and (2) fully allocated to Stewart's escrow division. Stewart shall
23 continually maintain, with a retention period of a minimum of three fiscal years, accounting
24 information that clearly, accurately, and in sufficient detail demonstrates its compliance with
25 this provision.

26 C. Assessing a separate charge to escrow or title customers for any service
27 such as wire transfers, if the service is provided as a financial benefit or the cost of the
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1 service is otherwise waived, credited, paid, or assumed by the provider of the service.

2 D. Depositing escrow funds in any financial institution in which defendants
3 have any ownership interest, management, or control if (1) the deposit of funds in that
4 financial institution would breach Stewart's fiduciary duties as escrow agent or (2) that
5 financial institution failed to provide financial benefits in connection with the deposit of
6 escrow funds that were comparable to the best arrangement for the provision of financial
7 benefits offered by California financial institutions in connection with the deposit of escrow
8 funds.

9 E. Demanding, charging, or collecting a separate fee from escrow or title
10 insurance customers in connection with investigating or tracking whether a beneficiary under
11 a deed of trust causes a deed of reconveyance to be recorded after the obligation owed to the
12 beneficiary has been satisfied, except to the extent that a separate fee is affirmatively and
13 explicitly authorized by a subsequent statute.

14 F. Demanding, charging, or collecting a separate fee from escrow or title
15 insurance customers in connection with preparing, issuing, or recording a release of
16 obligation or providing notice of intention to do so, except to the extent that a separate fee
17 is affirmatively and explicitly authorized by a subsequent statute.

18 G. Collecting a separate fee for a deed of reconveyance (including any
19 recording fee therefore) from an escrow or title insurance customer without separately
20 accounting for this fee in a suspense account or otherwise segregating this fee from
21 defendants' funds in accordance with generally acceptable accounting principles until the fee
22 is transmitted to the trustee or beneficiary under the deed of trust, is returned to the customer,
23 or is paid as required by law.

24 H. Disbursing monies to financial institutions that are beneficiaries under
25 deeds of trust at the close of escrow unless disbursed in the following manner:

26 (1) By wire or electronic fund transfer upon close of escrow; by
27 check sent upon close of escrow via a next day delivery service, such as Federal Express. for

1 delivery on the next business day following the close of escrow; or by hand delivery for
2 delivery on the same day as, or on the next business day following, the close of escrow.

3 (2) In the event that the close of escrow occurs so late in the day that
4 it would be impracticable for the funds to be disbursed in the manner described in
5 subparagraph H(1), the funds shall be disbursed on the next business day following the close
6 of escrow by the most expeditious means available.

7 (3) Notwithstanding subparagraphs H(1) and H(2), any means
8 directed by the seller or refinancing owner in an escrow instruction signed or initialed by the
9 seller or refinancing owner.

10 (4) If the defendant acts as the escrow, any instruction described in
11 subparagraph H(3) shall appear on a separate page with no other writing except that
12 necessary to identify the escrow, the parties, the property, the date, the signature of the party
13 giving the instruction, and the following notice which shall clearly and conspicuously appear
14 immediately above or adjacent to the place reserved for the escrow customer's signature.
15 "Any delay in sending funds to a beneficiary under a deed of trust could result in additional
16 interest charges or other expense. You should compare the amount of interest charges or
17 other expenses resulting from a delay in sending funds with the amount you will be charged
18 for wire, electronic fund transfer, or overnight delivery before you sign or initial this escrow
19 instruction."

20 (5) When disbursing funds by wire or electronic transfer, Defendant
21 shall utilize to the fullest extent practicable wire transfers (or similar electronic transfers)
22 where such transfers are included in earned credits furnished by the depositing institution.

23 RESTITUTION

24 5. Stewart shall pay restitution in the total amount of two million two hundred
25 fifty thousand dollars (\$2,250,000) ("Restitution") in the form of cash payments, as provided
26 in paragraphs 6 through 17, with the balance of the restitution remaining after cash payments
27 paid as cy pres restitution to the Consumer Protection Prosecution Trust Fund, established

1 in People v. ITT Consumer Financial Corporation, et al., Alameda Superior Court Case No.
2 656038-0, for the investigation and prosecution of cases involving consumer real estate,
3 home mortgage, and consumer finance transactions, civil law enforcement or other consumer
4 protection matters as the trustees of that trust fund in their discretion may direct. All
5 administrative expenses associated with the payment of these funds shall be borne by Stewart
6 and are in addition to Stewart's restitution obligation described in this paragraph.

7 **Payments to Claimants**

8 6. A. Within five days after the Attorney General has given Stewart notice
9 that the verification process has been completed and the Attorney General has determined
10 that the information provided was substantially complete and accurate, as more fully
11 described in paragraphs 19-21 of this Judgment and paragraph 1F of the Stipulation,
12 Stewart shall directly mail a check in the amount of sixty five dollars (\$65) to each of its
13 former escrow customers who meet all of the following conditions:

14 (1) Customer closed an escrow transaction for the purchase, sale or
15 refinancing of residential property containing one- to four-dwelling units where
16 Stewart acted as escrow agent or title insurer between May 19, 1995 and the date of the
17 entry of judgment (hereafter referred to as "Customer").

18 (2) (a) Customer was charged and paid a fee for the preparation or
19 recording of a deed of reconveyance where Stewart did not perform the services charged
20 for; or (b) Customer was charged and paid a fee for a release of obligation and Stewart
21 did not prepare a release of obligation or (c) Stewart charged, and Customer paid, for
22 preparing a release of obligation or recording a reconveyance where the performance of
23 the service was unnecessary.

24 (3) Where Stewart has charged a fee as described in paragraph
25 6(A)(2), there is a presumption that such fees were paid by Customer.

26 7. Stewart shall have no obligation to make payment under paragraph 6 of this
27 Judgment if Stewart establishes that it transmitted the Customer's reconveyance fee to the
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1 trustee or beneficiary under the deed of trust that encumbered the customer's property or
2 escheated the fee charged the customer to the state.

3 8. Any payments not disbursed under paragraph 6 of this Judgment shall be
4 subject to payment to each eligible Customer who submits a timely claim ("Claimant") as
5 more fully discussed in paragraph 10 of this Judgment. For the purpose of this judgment, a
6 claim shall be deemed eligible and the Claimant shall be entitled to payment under the
7 following circumstances:

8 A. Claimant closed an escrow transaction for the purchase, sale or
9 refinancing of residential property containing one- to four-dwelling units where Stewart
10 acted as escrow agent or title insurer between May 19, 1995 and the date of the entry of
11 judgment.

12 B. (1) Claimant deposited funds during his or her escrow transaction that
13 may have been used by Stewart to obtain financial benefits from a lending institution; (2) the
14 Claimant was charged for various miscellaneous services including messenger services,
15 recording services, overnight delivery services, or wire transfer services or (3) Claimant paid
16 for tracking service or paid a fee in connection with preparing, issuing, or recording a release
17 of obligation or providing a notice of intent to do so.

18 C. Claimants in the category described in paragraphs 8(B)(1) or 8(B)(2)
19 of this Judgment who present a single claim under one of those categories shall be entitled
20 to a minimum payment of twenty five (\$25) in cash, and a maximum cash payment of fifty
21 dollars (\$50), depending on the number of claims and available settlement funds.

22 D. Claimants with claims under both paragraphs 8(B)(1) and 8(B)(2) of this
23 Judgment shall be entitled to a minimum payment of fifty dollars (\$50) in cash, and a
24 maximum payment of one hundred dollars (\$100) depending on the number of claims and
25 available settlement funds.

26 E. Claimants with claims under 8(B)(3) shall be entitled to a payment of
27 sixty-five dollars (\$65) in cash. This payment shall be in addition to any amounts available
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1 under paragraphs 8(C) or 8(D) of this Judgment.

2 9. Stewart shall have no obligation to make payment under paragraph 8(B)(3) of
3 this Judgment if Stewart establishes that it did any of the following:

4 A. Transmitted the Claimant's reconveyance fee to the trustee or
5 beneficiary under the deed of trust that encumbered the Customer's property.

6 B. Prepared and recorded a deed of reconveyance while acting in the
7 capacity of trustee under the deed of trust.

8 C. Escheated to the state the fee charged the Customer.

9 10. Within five days after the Attorney General has given Stewart notice that the
10 verification process has been completed and that the Attorney General has determined that
11 the information provided was substantially complete and accurate, as more fully described
12 in paragraphs 19-21 of this Judgment and paragraph 1F of the Stipulation, Stewart, at its
13 sole expense, shall cause to be published a notice, whose form and contents are satisfactory
14 to the People, at least once per week for three consecutive weeks. The published notices will
15 appear in the Los Angeles Times, the San Francisco Chronicle and Examiner, the
16 Sacramento Bee, the Modesto Bee, the Fresno Bee, the San Diego Union Tribune, the
17 Bakersfield Californian, the Orange County Register, the San Jose Mercury News, and the
18 Oakland Tribune. The notice shall state that former escrow Customers who meet the criteria
19 set forth in paragraph 8 are eligible to file a claim to recover a minimum of twenty-five
20 dollars (\$25) and a maximum of one hundred sixty-five dollars (\$165) if the claim is
21 returned by a date specified in the notice that is at least 90 days after the date on which the
22 first notice is published. The notice shall indicate that the claim must indicate the
23 Claimant's name and the address of the property involved in the escrow. The notice may
24 request additional documentation if available to the Customer but shall clearly indicate that
25 the Customer is not obliged to provide any further information to be eligible. The published
26 notice shall state that no specific claim form is required as long as the Claimant's name and
27 property address is set forth, but the notice shall set forth a sample form that may be
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1 completed and returned. The notice shall also set forth the address to which the claim form
2 is to be sent and a toll-free telephone number to which inquiries may be directed.

3 11. The claims shall be returned to a Settlement Administrator, as more
4 particularly described in paragraph 19. The Settlement Administrator shall log the claims
5 and transmit them to Stewart.

6 12. After the close of the claims settlement period, the Settlement Administrator
7 will transmit all claims to Stewart. After the completion of the verification process and a
8 determination that the information provided by Stewart was substantially complete and
9 accurate, as more fully described in paragraphs 19 through 21 of this Judgment and
10 paragraph 1F of the Stipulation, Stewart shall (A) pay the claim without further review or (B)
11 review the claim, conduct a diligent search of all relevant business records and public
12 records, and determine the Claimant's eligibility for payment. If Stewart determines that the
13 Claimant is eligible, Stewart shall pay the claim within 15 days. If Stewart determines that
14 the Claimant is not eligible, Stewart shall provide the Settlement Administrator, within 15
15 days, with the name and address of each person who submitted the claim that Stewart
16 determined was ineligible and a complete statement of reasons for the denial of that
17 Claimant's claim including all of the documentation on which Stewart relies to establish
18 Stewart's determination that the Claimant is not eligible for payment. The Settlement
19 Administrator shall review the rejected claims, any written objections submitted as described
20 under paragraph 13, and the records, including the escrow file, that may be relevant for
21 determining the Claimant's eligibility. The Settlement Administrator shall report its
22 evaluation of the merits of each rejected claim to the People. If the People dispute Stewart's
23 rejection of a claim and the parties are unable to resolve the dispute, all disputed claims shall
24 be submitted, at Stewart's sole expense, to an arbitrator selected by the parties or, in the
25 event the parties do not agree on an arbitrator, to an arbitrator selected by the court.

26 13. Stewart shall also notify each person who submitted a claim that was rejected
27 and briefly describe the reason for rejecting the claim. The notice shall indicate that if the

1 Claimant disputes the rejection of the claim, the Claimant may provide the Settlement
2 Administrator with a written objection stating all of the Claimant's grounds for disputing the
3 rejection of the claim. The notice shall indicate that the written objection must be mailed to
4 the Settlement Administrator at an address set forth in the notice and must be submitted by
5 a specified date, which shall not be less than 15 days following the date of the mailing of the
6 notice.

7 14. Stewart shall pay the sums set forth in paragraph 6 for all undisputed claims
8 and all disputed claims that an arbitrator determines are owed as discussed in paragraph 12.
9 The amount of payments under paragraph 8 shall be prorated based on remaining available
10 settlement funds, but shall in no event exceed the maximum amounts payable under
11 paragraph 8 or fall below the minimum amounts payable under paragraph 8. Under no
12 circumstances shall Stewart be obligated to make restitution to Claimants of a sum in excess
13 of the total Restitution amount set forth in paragraph 5.

14 15. The Settlement Administrator shall respond to any questions by the public
15 about the claims procedure and, in connection therewith, shall establish a toll free number.

16 16. The envelopes containing the checks sent by Stewart to Claimants shall be
17 marked with the Settlement Administrator's return address. If any check sent to a Claimant
18 is returned undeliverable, the Settlement Administrator shall take or cause to be taken
19 reasonable steps, including skip-tracing if reasonable, to attempt to locate the Claimant. If
20 thereafter the Claimant is still not located or if the Claimant's check is not cashed within six
21 months, any funds payable under the judgment shall be promptly, but in no event later than
22 October 1, 2002, paid as cy pres restitution as provided in paragraph 5.

23 17. Within 90 days following the closure of the cash claims period, Stewart shall
24 provide the People and the Settlement Administrator with a report indicating the name and
25 address of each Claimant paid, the date of payment, and the amount of the claim. If any
26 claims are thereafter paid, Stewart shall supplement the report with additional quarterly
27 reports indicating the name and address of each Claimant paid, the date of payment, and the

1 amount paid. Within seven months of the date of issuing checks in payment of claims,
2 Stewart shall provide the People and the Settlement Administrator with a report of the names
3 and addresses of Claimants whose checks are not cashed within six months of issuance. The
4 reports required herein shall be subscribed under oath by an officer of Stewart indicating his
5 or her firsthand personal knowledge of the facts set forth in the report.

6 CASH PAYMENT

7 18. In addition to the Restitution amount provided in paragraph 5, Stewart is
8 ordered to pay the People the sum of two hundred fifty thousand dollars (\$250,000) in the
9 form of a wire transfer to the Office of the Attorney General. Upon the completion of the
10 verification procedure described in paragraphs 19 through 21 of the Judgment and a
11 determination that the information provided by Stewart was substantially complete and
12 accurate as more fully described in paragraph 1F of the Stipulation, the Attorney General
13 shall distribute one hundred fifty thousand dollars (\$150,000) as provided under Business
14 and Professions Code section 17206, 17536 and Government Code section 26506 with one-
15 half of those funds distributed to the Attorney General, one-fourth of those funds distributed
16 to the District Attorney of the City and County of San Francisco, and one-fourth of the funds
17 distributed to the City Attorney of the City and County of San Francisco; one hundred
18 thousand dollars (\$100,000) among counsel for the People as reimbursement of attorney's
19 fees and costs, including attorney's fees and costs for the monitoring of Stewart's compliance
20 with the judgment.

21 VERIFICATION

22 19. Stewart and counsel for the People jointly shall select, and Stewart shall
23 retain at its sole expense, a third party settlement administrator ("Settlement
24 Administrator") and a third party verifier ("Verifier"). The Settlement Administrator
25 shall be an independent firm that is substantially experienced in the administration of
26 consumer payment programs. The Verifier shall be an independent firm containing one
27 or more certified public accountants experienced in verification and examination

1 procedures. The Verifier shall have responsibility for the following:

2 A. The Verifier shall verify that information provided to the People by
3 Stewart was substantially complete and accurate at the time the information was
4 presented. The verification procedure may include a reasonable examination and testing
5 of Stewart's records and interviews of Stewart's personnel.

6 B. The procedures to be employed by the Verifier to determine
7 compliance and payment shall be developed by the Verifier consistent with applicable
8 standards established by the American Institute of Certified Public Accountants and shall
9 include testing and such other procedures sufficient to enable the Verifier to render an
10 opinion concerning the defendants' assertion of compliance relied on by the People as a
11 basis for settlement.

12 C. The Verifier shall provide Stewart and counsel for the People with a
13 final report no later than March 1, 2002, unless Stewart and counsel for the People agree
14 to a later date, which agreement shall not be unreasonably withheld if additional time is
15 needed to prepare an appropriate report. The final report shall be issued promptly upon
16 completion of all action required hereunder. The final report shall (1) summarize all tasks
17 undertaken by the Verifier, (2) set forth the Verifier's opinion that defendants have
18 furnished substantially accurate and complete information to counsel for the People, and
19 (3) set forth the Verifier's certification of its compliance with the procedures set forth in
20 this Judgment except to the extent of any specifically described deficiencies in
21 compliance. The final report shall be provided to the Attorney General of California,
22 Consumer Law Section, 300 S. Spring Street, Los Angeles, CA 90013, Attention: Deputy
23 Attorney General Christina Tusan; to the San Francisco District Attorney, Consumer and
24 Environmental Protection Unit, 732 Brannan Street, San Francisco, California, Attention:
25 June Cravett; and to the City Attorney of San Francisco, 1390 Market Street, 6th Floor,
26 San Francisco, California 94102-5408, Attention: Donald P. Margolis (and/or to such
27 other address or to the attention of such other person as the offices of the Attorney

1 General, District Attorney of San Francisco, or City Attorney of San Francisco shall
2 specify in writing to Stewart and the Verifier).

3 D. The letter of engagement entered into between Stewart and the
4 Verifier shall provide the following: (1) a description of the Verifier's duties as provided
5 in this Judgment, (2) a requirement that the Verifier shall make available to Stewart and
6 counsel for the People, within 30 days of written request, copies of all records,
7 documents, reports and work papers obtained or prepared in connection with the duties
8 set forth herein, and (3) a requirement that the Verifier make available to Stewart and
9 counsel for the People a person or persons familiar with the procedures to be performed
10 as required by this Judgment or provided in the letter of engagement. If Stewart has
11 already produced documents responsive to the request, the Verifier may identify those
12 documents in lieu of providing duplicates. The letter of engagement shall acknowledge
13 that the Attorney General, the District Attorney of San Francisco, and the City Attorney
14 of San Francisco are each an intended user or beneficiary of the report.

15 20. To facilitate the Verifier's responsibilities, Stewart shall make available, at
16 Stewart's expense, to the Verifier sufficient documents, persons, and other information,
17 including data bases, to enable the Verifier to fulfill its functions under this Judgment,
18 including documents, access to persons, and information reasonably related to the
19 determination of whether Stewart furnished substantially accurate and complete
20 information to counsel for the People.

21 21. Stewart and the Verifier shall provide for review by the Attorney
22 General, the District Attorney of San Francisco, and/or the City Attorney of San
23 Francisco, within 30 days of a written request, all records, documents and personnel
24 reasonably necessary to ascertain Stewart's and the Verifier's compliance with this
25 Judgment. Nothing herein limits the right of the Attorney General, the District Attorney
26 of San Francisco, or the City Attorney of San Francisco to request or obtain information
27 from defendants as otherwise provided in this Judgment or as provided by law.

SETTLEMENT ADMINISTRATION

22. The Settlement Administrator shall carry out its duties as described in the "Payments to Claimants" portion of this judgment, as set forth in paragraphs 6 through 16, and shall verify that Stewart has processed claims, properly rejected those claims Stewart determined to be ineligible, and actually paid Claimants with eligible claims as provided under paragraphs 6 through 17.

23. The Settlement Administrator shall provide Stewart and counsel for the People with a final report no later than July 1, 2002, unless Stewart and counsel for the People agree to a later date, which agreement shall not be unreasonably withheld if additional time is needed to prepare an appropriate report. The final report shall be issued promptly upon completion of all action required hereunder. The final report shall (1) set forth the Settlement Administrator's opinion that Stewart has paid cash claims to Claimants as provided under paragraphs 6 through 17 of this Judgment, and (2) set forth the Settlement Administrator's certification of its compliance with the procedures set forth in this Judgment except to the extent of any specifically described deficiencies in compliance.

24. The letter of engagement entered into between Stewart and the Settlement Administrator shall provide the following: (1) a description of the Settlement Administrator's duties as provided in this Judgment, (2) a requirement that the Settlement Administrator shall make available to Stewart and counsel for the People, within 30 days of written request, copies of all records, documents, reports and work papers obtained or prepared in connection with the duties set forth herein, and (3) a requirement that the Settlement Administrator make available to Stewart and counsel for the People a person or persons familiar with the procedures to be performed as required by this Judgment or provided in the letter of engagement. If Stewart has already produced documents responsive to the request, the Settlement Administrator may identify those documents in lieu of providing duplicates. The letter of engagement shall acknowledge that the

1 Attorney General, the District Attorney of San Francisco, and the City Attorney of San
2 Francisco are each an intended user or beneficiary of the report.

3 25. To facilitate the Settlement Administrator's responsibilities, Stewart
4 shall make available, at Stewart's expense, to the Settlement Administrator, sufficient
5 documents, persons, and other information, including data bases, to enable the Settlement
6 Administrator to fulfill its functions under this Judgment, including documents, access to
7 persons, and information reasonably related to the determination of whether Stewart
8 furnished (A) substantially accurate and complete information to counsel for the People
9 regarding payment of claims, (B) properly determined Claimants' eligibility for payment
10 under paragraphs 6 through 17 of this Judgment, and (C) timely paid eligible cash
11 Claimants.

12 26. A. On or before July 1, 2002, Stewart and the Settlement Administrator
13 shall provide, to the extent applicable to each, to the Attorney General of California,
14 Consumer Law Section, 300 S. Spring Street, Los Angeles, CA 90013, Attention: Deputy
15 Attorney General Christina Tusan; to the San Francisco District Attorney, Consumer and
16 Environmental Protection Unit, 732 Brannan Street, San Francisco, California, Attention:
17 June Cravett; and to the City Attorney of San Francisco, 1390 Market Street, 6th Floor,
18 San Francisco, California 94102-5408, Attention: Donald P. Margolis (and/or to such
19 other address or to the attention of such other person as the offices of the Attorney
20 General, District Attorney of San Francisco, or City Attorney of San Francisco shall
21 specify in writing to Stewart and the Settlement Administrator), a Final Certification
22 Report containing the following information:

23 (1) A certification by Stewart that all monetary relief provided for
24 herein due to all eligible Claimants has been paid. The report shall also certify
25 compliance by Stewart and the Settlement Administrator with each provision of this
26 Judgment related to such monetary relief to the extent applicable to each.

27 (2) An alphabetical list of the name and address of every eligible
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1 cash Claimant to whom payment was made and a list of the name and address of every
2 person who filed a claim that was determined to be ineligible for payment together with a
3 brief description of the basis for concluding that the Claimant was ineligible.

4 B. Stewart and the Settlement Administrator shall provide for review by
5 the Attorney General, the District Attorney of San Francisco, and/or the City Attorney of
6 San Francisco, within 30 days of a written request, all records, documents and personnel
7 reasonably necessary to ascertain Stewart's and the Settlement Administrator's
8 compliance with this Judgment as to Claimants (for example, in response to inquiries
9 concerning specific Claimants). Nothing herein limits the right of the Attorney General,
10 the District Attorney of San Francisco, or the City Attorney of San Francisco to request or
11 obtain information from defendants as otherwise provided in this Judgment or as provided
12 by law.

13 RETENTION OF JURISDICTION

14 27. This Court shall retain jurisdiction over this matter for the purpose of
15 enabling any of the parties to apply to the Court at any time for such further orders or
16 directives as may be necessary or appropriate for the modification of the injunctive
17 provisions herein or for the interpretation or enforcement of any of the provisions of this
18 Judgment.

19 BUSINESS AND PROFESSIONS CODE SECTION 17203

20 28. All injunctive and other equitable relief under this Judgment, including all
21 relief described in paragraphs 5 through 17 inclusive, is ordered pursuant to the court's
22 equitable powers, including those remedial powers authorized by Business and
23 Professions Code section 17203.

24 PAYMENT OF COURT COSTS

25 29. Stewart shall pay all court costs associated with its appearance in this
26 action, including any fee for the filing of the stipulation for entry of judgment. Except as
27 otherwise provided herein, each party shall bear its own costs, including attorneys' fees.

1 EFFECTIVE DATE AND SCOPE OF JUDGMENT

2 30. This Judgment shall be binding and effective when entered by the Court.

3 31. As the parties have stipulated, plaintiffs have determined that this
4 Judgment, including the payment provisions, is a fair, equitable, and final resolution and
5 disposition of all and only those matters pleaded in the Complaint to constitute violations
6 of Business and Professions Code sections 17200 et seq. and 17500 during the period
7 from May 19, 1995 until the date of entry of this judgment, and those matters pleaded to
8 constitute violations of Code of Civil Procedure section 1500 et seq. for unclaimed
9 property up through December 31, 1998 (other than claims for interest pursuant to Code
10 of Civil Procedure section 1577). As the parties have further stipulated and the court
11 adjudges, the Stipulation for Entry of Final Judgment and this Judgment do not settle,
12 compromise, bar, or otherwise in any manner affect any and all claims for interest
13 pursuant to Code of Civil Procedure section 1577 for monies escheated to the State
14 Controller's Office without limitation on time period, which the State Controller may
15 pursue notwithstanding the Stipulation for Entry of Final Judgment or the entry of this
16 Judgment.

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21 DATED: OCT - 8 2002

JUDGE OF THE SUPERIOR COURT
LOREN E. McMASTER